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April 8, 1999

Mary Ann Wright
Associate Director, Mining
Division of Oil, Gas and Mining
Department of Natural Resources
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5810

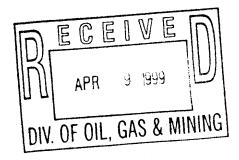
Re:

Horizon Mine Permit No. ACT/007/020

Dear Ms. Wright:

Please take notice that Roger W. Skaggs and Margaret Skaggs are successors-in-interest to the rights previously held by Blue Blaze Coal Company, a Utah corporation, the original applicant for the coal mine permit in PRO/007/002. Blue Blaze Coal Company assigned all of its right, title and interest to that application to Horizon Coal Corporation ("Horizon") on or about March 27, 1995. Notice of that assignment was filed with the Division on March 31, 1995. Subsequently, other assignments have been made subject to the agreement between Horizon and the Skaggs/Blue Blaze agreement.

Horizon agreed to pay consideration for the assignment, consisting among other things of certain royalties and other consideration. As of the date of this letter neither Horizon nor its successors-in-interest has performed these obligations, even though the mine has been producing and marketing coal.



The purpose of this letter is to provide the Division and the public with notice that there exist unsatisfied claims by Skaggs against Horizon and its successors-in-interest against the mining and sale of coal mined pursuant to ACT/007/020.

Yours truly,

R. Dennis Ickes

Cc: William R. Skaggs

Denise Dragoo, counsel for Horizon Mining, LLC